

VZCZCXRO0667
PP RUEHWEB
DE RUEHAS #1022/01 2680722
ZNY CCCCC ZZH
P 240722Z SEP 08 ZDK
FM AMEMBASSY ALGIERS
TO RUEZC/USOFFICE EACTC
RUEHNM/AMEMBASSY NIAMEY

C O N F I D E N T I A L SECTION 01 OF 02 ALGIERS 001022

SIPDIS

E.O. 12958: DECL: 09/23/2018

TAGS: [PGOV](#) [ECON](#) [AG](#)

SUBJECT: GET RICH - BECOME A PARLIAMENTARIAN

Classified By: DCM Thomas F. Daughton; reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: A September 17 decision to increase dramatically the salaries of members of both the lower and upper houses of parliament has been greeted by public criticism and newspaper headlines screaming "Shame on You" and "Become an MP and Get Rich". The decision, made through a presidential ordinance resoundingly ratified by parliament, raises the base salary of a junior MP from 180,000 dinars (approximately USD 3000) to 300,000 dinars (USD 5000) per month. The minimum wage in Algeria is 12,000 dinars (USD 200) per month. MPs themselves have scrambled to justify the raise by comparing their standing to that of MPs in neighboring countries and Europe, but a resentful public has focused instead on their standing relative to Algerian society. As a result, reactions to the pay raise have been bitter and scornful, as many of our contacts feel the government has done much to reward itself but little to improve the challenging socioeconomic conditions of daily life. END SUMMARY.

BETTER PAY CREATES BETTER PERFORMANCE?

¶2. (C) Mahmoud Koudiri, Minister in charge of Relations with Parliament, defended the salary increase to the press on September 18 by saying that the wages of MPs had to be considered as part of the national policy on wages, and increases would come to all sectors. He added his belief that better-paid parliamentarians "will do better jobs." Under the increase, 300,000 dinars (USD 5000) is the gross monthly salary for a junior parliamentarian, while 250,000 dinars (approximately USD 4200) is the net salary. In addition to this, MPs receive a monthly housing allowance of 63,000 dinars (USD 1050) and a food allowance of 20,000 dinars (roughly USD 340). Presidents of parliamentary commissions and vice-presidents of both houses of parliament will receive an additional 30,000 dinars (USD 500) per month as a result of what Koudiri called their "special positions." The increase is retroactive to January 1, meaning that each MP will receive an initial windfall of roughly one million dinars (USD 16,700).

¶3. (C) MP Sakina Messadi of the flagship National Liberation Front (FLN) acknowledged the public outcry and tried to explain it to us on September 20. While it is true that people are shocked by this increase and feel we are ignoring their complaints, she said, "all civil servants and even the military" have benefited lately from a significant increase. Unfortunately, she added, "only ours was under the spotlight."

WHAT HAVE YOU DONE FOR ME LATELY?

¶4. (C) Achira Mameri of the French-language daily l'Expression told us on September 20 that the increase was out of touch with the difficult economic reality of people's lives, especially during the month of Ramadan when Algerian families struggle against rising commodity prices to put food on the iftar table every night. According to Mameri, the MPs

"have used Ramadan to hide" by working fewer hours and fewer days of the week, yet "they all came running" to the September 17 session to ratify their salary increase. Mameri said she confronted parliamentary Speaker Abdelaziz Ziari on the issue, who became "defensive" and told her that being an MP "is a matter of standing, and higher salaries will enable better representation."

15. (C) Two opposition parties, the Trotskyist Worker's Party (PT) and the Berber-based Rally for Culture and Democracy (RCD), voted against the increase, but for different reasons. PT leader Louiza Hanoune called the increase "a provocation" of the public, in that parliament inflated its own salaries while refusing to raise allowances for the disabled or for pensioners, many of whom survive on 4000 or 5000 dinars (USD 67 to 83) per month. Nouredine Ait Hamouda, leader of RCD's parliamentary bloc, told us on September 20 that the RCD voted against the measure because "the whole approach was wrong." Ait Hamouda explained to us that President Bouteflika is supposed to resort to such ordinances only in emergencies. "We do not consider our salaries to be an emergency," he concluded.

ALGIERS 00001022 002.8 OF 002

COMMENT: ALL ABOUT THE BENJAMINS

16. (C) While pay raises themselves are not unusual, the gap between the minimum wage of a grumpy street and MPs whose salaries are suddenly over 25 times higher is extreme for Algeria. As with virtually all legislation, the salary increase came from the Presidency and was approved by President Bouteflika himself before making its way to parliament. Under the constitution, if the parliament fails to approve such legislation, it is automatically dissolved. Recent salary increases for other sectors of society did not receive the same degree of public scorn and criticism, our contacts tell us, because parliament has at least a perceived responsibility to represent the people. This wage hike was different, however, because for ordinary Algerians it signaled a government more than ever out of touch with the daily socioeconomic issues that concern them, and further proof of a system looking out only for itself.

PEARCE